

## **Item 1 - Cover Page**

Mac Adams Wealth Advisors, LLC  
Form ADV Part 2A  
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This brochure provides information about the qualifications and business practices of Mac Adams Wealth Advisors, LLC. ("MWA"). If you have any questions about the contents of this brochure, please contact us at 214-273-3630 or email [jane@macfingroup.com](mailto:jane@macfingroup.com).

**The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

Additional information about MWA also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

References to "registered investment advisor" or any references to be "registered" does not imply a certain level of skill or training.

## **Item 2 - Material Changes**

On September 19, 2011, the United States Security and Exchange Commission (SEC) amended the Dodd-Frank Act. This amendment requires Registered Investment Advisors (RIAs) to meet the threshold of \$100,000,000 in assets under management to remain registered with the SEC. In compliance with the Dodd-Frank Act, Mac Adams Wealth Advisors has filed for registration with the Texas State Securities Board.

Other than applying for registration with the Texas State Securities Board, there have been no other material changes in our business.

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## **Item 4 - Advisory Business**

### **Our Firm**

MWA is a limited liability company (LLC), formed under the laws of the State of Texas in 2008. MWA is an investment advisor registered with the Texas State Securities Board. MWA offers personalized investment advisory services to individuals, trusts, estates, charitable organizations, corporations and other business entities.

### **Location**

MWA's firm location is 12770 Coit Road, Suite 1226, Dallas Texas 75251.

### **Our People**

MWA works as team dedicated to serving our clients and their unique needs.

Jane Mac Adams is the principal owner of MWA.

- Jane Mac Adams is the Chief Compliance Officer (CCO) and Investment and Research principal.

### **Our Beliefs**

- Each client's goals, fears, and needs are unique and should be understood and addressed accordingly.
- MWA holds all client interactions to fiduciary standards.
- The assets MWA manages are very important to each client's financial security and are to be managed prudently.
- It is important to minimize taxes, and other costs to maximize returns and preserve wealth.
- Investment management is only one part of wealth management. MWA works closely with other professionals and may offer other services and products.

### **Our Services**

MWA's primary service is providing financial planning, portfolio investment management, and asset management and protection for our clients who may include individuals, trusts, estates, charitable organizations, corporations and other business entities. To accomplish this MWA offers clients a range of individual consulting, financial planning, and investment management services.

### **Personalized Service**

MWA uses the following strategy to customize advisory services to each client:

- Initial Interview - an initial interview is conducted with each client to determine the client's financial circumstances, goals, acceptable levels of risk, any reasonable restrictions on the management of their account, and other relevant circumstances;
- Individual Treatment - the client's account is managed on the basis of the client's financial circumstances and investment objectives;

- Consultation - an IAR of MWA, that is knowledgeable about the client's account, shall be reasonably available to consult with the client relative to the status and management of their account, on a regular basis;

### **Financial Planning and Consulting Services**

Financial planning typically involves providing a variety of services to clients with regard to the management of their financial resources. The services provided are based upon an analysis of their individual needs.

MWA Advisors will first conduct a complimentary initial consultation. After the initial consultation, if the client decides to engage MWA for financial planning services, an advisor will conduct a follow-up meeting during which pertinent information about the client's financial circumstances and objectives is collected. Once the information has been reviewed and analyzed, a written financial plan is produced and presented to the client. The primary objective of this process is to allow MWA to assist the client in developing a strategy for the successful management of their assets and liabilities, in order to meet the client's financial goals and objectives.

Financial plans are based on the client's particular financial situation at the time the plan is presented and is based on the financial information disclosed by the client to MWA. Clients are advised that certain assumptions may be made with respect to interest and inflation rates. Past performance is not an indication of future performance. MWA cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives, or needs change, the client must notify MWA promptly and the plan can be altered accordingly.

### **MWA Asset Management Programs**

MWA is the sponsor of the MWA Asset Management Program I & II (the "Program"). AMP II is a wrap fee program. Please see Appendix 1, the wrap fee program brochure, for additional information.

MWA may also provide advisory services through certain programs sponsored by another registered investment advisors Third Party Managers (TPM).

### **Portfolio Management**

The services provided by MWA in the AMP I and II programs include financial planning and portfolio management. MWA does not limit investment advice to specific types of investments. The investment strategy for a specific client is based upon the goals and objectives identified by the client during consultations. The client may change these goals and objectives at any time. After meeting with their MWA Advisor to develop a financial plan, which documents their goals, investments, and time horizons, individual client portfolio management strategies are then formulated and implemented based on the objectives articulated in the plan.

The strategies may include long-term purchases, short-term purchases, trading, short sales and hedging through the use of ETF products, margin transactions, cash management, income creating strategies, alternative investments, and option writing principal protection, and income

generating annuities(used by MWA Advisors in their capacity as FINRA-registered broker dealer representatives).

MWA has found that the annuity products which offer the best in class benefits are only available and sold as commission products. Therefore, these annuities are not held in advisory accounts but are managed by MWA Advisors. The management includes selection of the initial investment choices and ongoing monitoring of the investment in the annuity sub accounts.

AMP I and II clients have continual online access to their account performance through the custodian approved client website. Clients also have the ability to access their aggregate accounts through Albridge Wealth Reporting. In Albridge, clients can measure their individual portfolio performance against various benchmarks available in the system, for example the S&P and other indices.

Clients are contacted for evaluations at least yearly for reviews of their portfolios. The review is conducted to ensure the account is managed according to guidelines set forth by client's risk assessment, financial goals, and needs. The methods of analysis and investment strategies vary according to each client.

### **Other Advisors**

MWA may also provide advisory services through certain programs sponsored by another registered investment advisors, Third Party Managers (TPM).

MWA shall consider recommending a TPM if the client's goals are better served by expertise outside of MWA. MWA may recommend a TPM if a client desires a portion of their portfolio to concentrate on a specific debt or equity instrument. Examples include, large bond portfolios, which require active management for duration and interest rate risk, and managed futures or options portfolio.

MWA will perform due-diligence by screening for the best managers in particular assets classes. The factors considered include past performance, manager tenure, economic conditions, macro-economic conditions, manager accessibility, and cost. The client will then be presented with the managers who meet the outlined criteria. If employed, those managers are evaluated on a at least a quarterly basis by reviewing the account either on online or through written statements by MWA and the client.

Clients are contacted for evaluations at least yearly for reviews of their portfolios. This review is conducted to ensure the account is managed according to guidelines set forth by client's risk assessment, financial goals, and needs.

MWA monitors both the AMP Program TMP management performance through reviewing client accounts, consultations with outside managers or their representatives, reviewing research and/or White Papers affecting management's asset sector selection. Specific account return performance is measured by comparisons with other managers in the particular asset class, industry standard ratios, indices, and benchmarks.

### **Retirement Plan Consulting**

MWA IARs may assist client in establishing Retirement Plan Accounts and with the selection of funds made available. Retirement Plans are self directed by participants and IARs have no trading authority.

### **Estate Planning**

IARs may also advise on estate planning issues, as well as insurance products.

### **Assets Under Management as of February 29, 2012**

Discretionary: \$29,163,137

Non-Discretionary: \$7,433,192

## **Item 5 - Fees and Compensation**

### **MWA Asset Management Program**

MWA is the sponsor of the MWA Asset Management Program I and II (the "Program") AMP II is a wrap fee program. Please refer to Appendix 1 for the wrap fee brochure statement. Fees range from 0.25% to 2.00%.

In the event the client participates in the AMP II program, MWA shall provide its investment management services and arrange for brokerage transactions under a single annualized fee.

For participants in AMP I, MWA shall charge an annual fee based upon a percentage of the market value of the assets being managed by MWA. This fee does not include transaction fees, which will be incurred by the client. **Participants in the Program may pay a higher aggregate fee than if the transactions had been placed in a brokerage account.**

For participants in AMP II, MWA shall charge an annual fee based upon a percentage of the market value of the assets being managed by MWA. This includes all transaction fees which otherwise would be incurred by the client. **Participants in the Program may pay a higher aggregate fee than if the transactions had been placed in a brokerage account, in which they would incur transaction charges and commissions.** A complete description of the Program's terms and conditions (including fees) are contained in Appendix 1, the wrap fee brochure.

Clients may incur certain charges imposed by the custodian(s) and other third parties such as fees charged by Independent Managers, custodial fees, charges imposed directly by a mutual fund or exchange traded fund within the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee program,

clients may incur brokerage transaction fees. Such charges and fees are exclusive of and in addition to MWA's fees.

### **Third-Party Managers (TPM)**

In addition to MWA's written disclosure statement, the client shall also receive the written disclosure statement of the designated TPM and or their wrap fee program (if applicable). Certain TPMs may impose more restrictive account requirements and different billing practices than MWA. In such instances, MWA may alter its corresponding account requirements and/or billing practices to accommodate those of the TPM and/or wrap fee program sponsor.

The investment management fees charged by the designated TPM, together with the fees charged by the wrap fee program sponsor and corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to MWA investment advisory fee.

If MWA refers a client to a certain TPM where MWA compensation is included in the advisory fee charged by the TPM and the client engages that TPM, MWA shall be compensated for its services by receipt of a fee to be paid directly by the TPM to MWA in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee shall be paid solely from the Independent Manager(s)/(TPM) investment management fee or the program fee of the wrap fee program (as appropriate), and shall not result in any additional charge to the client.

The terms and conditions under which the client shall engage the TPM shall be set forth in separate written agreements between (1) the client and MWA, and (2) the client and the designated TPM and/or wrap fee program sponsor. MWA shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which MWA shall receive an annual advisory fee, which is based upon a percentage of the market value of assets being managed by the designated TPM.

### **Financial Planning & Consulting Fees**

MWA's fixed fee for financial planning services generally ranges between \$500 and \$5,000, depending upon the complexity and scope of the plan, the client's financial situation and client's objective. MWA may require that 50% of the fee be paid in advance, with the remaining portion due upon completion of the services rendered. Under no circumstances will MWA require prepayment of a fee more than six months in advance and in excess of \$1,200, per client, as services will be rendered within six months of the date of contract.

MWA may, in its discretion waive or offset the financial planning fee, should the client choose to implement the recommendations through IARs of MWA. MWA reserves the right to determine whether its financial planning fees will be waived or offset by the fees earned in the implementation process.

MWA may consult with clients on an hourly basis. Consulting fees are negotiable and range between \$50 to \$500 per hour depending on the level and scope of the services required and the professional rendering the service.



MWA will deliver its disclosure brochure - Part 2A of Form ADV - to the client at least 48 hours prior to or the same day of acceptance. Financial Planning agreements may be terminated with 10 day written notice delivered by either party. A client that received the disclosure on the day of execution may terminate the agreement without penalty within five business days of signing and owe no fee. After the first five days, the client will incur charges for services provided up to the point of termination and such fees will be due and payable by the client. In the event there are any prepaid unearned fees, MWA will promptly refund a pro rata share to the client.

### **Fees & Compensation**

MWA is the sponsor of the MWA Asset Management Program (AMP I & II). AMP II is a wrap fee program. MWA and their IARs receive compensation as a result of the client's participation in these programs. Fees range from 0.25% to 2.00%.

MWA, in its sole discretion, may negotiate a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

In the event the client participates in the AMP II program, MWA shall provide its investment management services and arrange for brokerage transactions under a single annualized fee.

For participants in AMP I & II, MWA shall charge an annual fee based upon a percentage of the market value of the assets being managed by MWA. **Participants in the Programs may pay a higher aggregate fee than if the transactions had been placed in a brokerage account.**

In addition to the management fee, accounts may incur a deferred sales charge on funds initially transferred into new accounts. MWA's IARS, in their fiduciary capacity, make every effort when selecting mutual funds, to choose institutional share classes that do not incur 12(b)-1 fees. However, there may be times when the best choice for the client may incur additional mutual fund expenses that are out of MWA's control. When purchasing individual bonds, there may be mark-ups or spreads paid to bond dealers that are out of our control. MWA takes their fiduciary responsibility seriously and makes best efforts to find investments that do not incur additional costs for their clients.

### **Fee Payment**

MWA's agreement and/or the separate agreement with the custodian(s) may authorize MWA, through the custodian(s), to debit the client's account for the amount of their fee and to directly remit that management to MWA, in accordance with applicable custody rules. Upon request to MWA, clients may choose to be invoiced directly for their management fee. All quarterly fees are billed in advance.

### **Fee Calculation**

The management fee is calculated by multiplying the value of the assets in the account by the fee percentage, then dividing by 4.

Each quarter's fee shall be calculated on a pro rata basis. Based on market fluctuations, the quarterly fee will vary.

For the initial quarter of investment management services, the quarter's fee will be calculated on a pro rata basis. The Agreement between MWA and the client will continue in effect until terminated by either party, pursuant to the terms of the Agreement. MWA's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

The client may make additions to and withdrawals from the account any time. If assets are deposited into an account after the inception of the quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. Clients may withdraw account assets on notice to MWA, subject to the usual and customary securities settlement procedures. For partial withdrawals within a billing period, MWA will credit its unearned fee towards the next quarter's fee. However, MWA designs its portfolios as long-term investments and asset withdrawals may impair the achievement of the client's investment objectives.

## **Item 6 - Performance-Based Fees and Side-by-Side Management**

Mac Adams Wealth Advisors does not have Performance Based-Fees or Side-by-Side Management to disclose.

## **Item 7 - Types of Clients**

MWA offers personalized investment advisory services to individuals, trusts, estates, charitable organizations, corporations and other business entities.

## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

Security analysis methods include fundamental analysis, technical analysis, cyclical analysis, sector analysis and monitoring of economic conditions.

The main sources of information include Morningstar fundamental analysis, inspection of corporate documents, research materials prepared by others, financial statements, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases, and financial newspapers and magazines.

Other sources of information that MWA may use include LPL Financial Research, Financial Times, The Economist, Wall Street Journal, Barrons, Bloomberg, Investor's Intelligence, Value Line, and other websites found on the World Wide Web.

**Investment Strategies**

The investment strategy for a specific client is based upon the goals and objectives identified by the client during consultations. The client may change these goals and objectives at any time. Each client meets with an IAR to formulate a financial plan, which documents their goals, investments, and strategies.

Other strategies may include long-term purchases, short-term purchases, trading, short sales and hedging through the use of ETF products, margin transactions, income and principal protection, annuities, alternative investments, and option writing (including covered options, uncovered options or spreading strategies).

**Third-Party Managers (TPM)**

MWA shall consider recommending a TPM if the client's goals are better served by expertise outside of MWA. We may recommend a TPM if a client wants a portion of their portfolio to concentrate on a specific debt or equity instrument. Examples include, large bond portfolios, which require active management for duration and interest rate risk, or the client desires a manage futures or options portfolio.

MWA will perform due-diligence by screening for the best managers in particular asset classes. The factors considered include past performance, manager tenure, economic conditions, macro-economic conditions, manager accessibility, and cost. The client will then be presented with managers who meet the outlined criteria.

The terms and conditions under which the client shall engage with the TPM shall be set forth in separate written agreements between (1) the client and MWA, and (2) the client and the designated TPM and/or program sponsor. MWA shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which MWA shall receive an annual advisory fee, which is based upon a percentage of the market value of assets being managed by the designated TPM.

Clients will have continuous online access to their accounts.

MWA monitors manager performance through reviewing client accounts, consultations with managers or their representatives, reviewing research and/or White Papers affecting that manager's asset sector. Specific account return performance is measured by comparisons with other managers in that particular asset classes, industry standard ratios, indices and benchmarks.

**Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach focuses on the risk management; however the following list outlines the risks that investors should consider:

- Interest-rate Risk: Fluctuations in interest rates may cause portfolio values to fluctuate. For example, as interest rates rise, yields on existing bonds often become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may decline due to reactions to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying conditions. For example, political, economic, and social conditions may trigger a wide range of market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar will in the future. Purchasing power is eroded at the rate of inflation.
- **Currency Risk:** International investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, Oil-drilling companies depend on finding oil and then refining it, before they can generate a profit. They carry a higher risk of profitability than an electric company. A utility company generates income from a steady stream of customers who buy electricity regardless of economic conditions.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are liquid if traders are interested in purchasing the product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its debt obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9 - Disciplinary Information**

MWA has no disciplinary events to disclose.

## **Item 10 - Other Financial Industry Activities and Affiliations**

### **Registered Representative of LPL Financial**

Certain MWA IARs are registered representatives of LPL Financial, a FINRA member broker-dealer. Clients can choose to engage IARs in their individual capacities as registered representatives of LPL Financial, to effect securities brokerage transactions on a commission basis.

### **Licensed Insurance Agents**

Certain MWA IARs are, in their individual capacities, licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis.

### **Conflict of Interest**

The recommendation by MWA IARs that a client purchase securities or insurance commission products presents a conflict of interest, as the receipt of commissions may provide an incentive to

recommend investment products based on compensation received. Clients are not under any obligation to purchase commission products from the IARs.

Clients are reminded that they may purchase securities or insurance products recommended by the IAR through other, non-affiliated insurance agents or broker-dealers.

MWA's Chief Compliance Officer, Jane Mac Adams, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Description of Code of Ethics**

MWA has adopted a Code of Ethics, the full text of which is available to clients upon request. MWA has several goals in adopting the Code. First, MWA desires to comply with all applicable laws and regulations governing its practice. Next, the management of MWA has determined to set forth guidelines for professional standards, under which all associated persons of MWA are to conduct themselves. MWA has set high standards, the intention of which is to protect our client's interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith, and fair dealing with clients. All associated persons are expected to strictly adhere to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics, primarily related to personal securities transactions, and violations of the Code. This serves to educate associated persons regarding appropriate activities. MWA has instituted, as a deterrent, a policy of disciplinary actions to be taken with respect to any associated person who violates the Code.

### **Participation or Interest in Client Transactions**

Associated persons, in their function as registered representatives of LPL or insurance agents, may provide products and/or securities transactions through LPL Brokerage. If an advisory client implements recommendations made by the associated person by purchasing securities or other products through LPL, the associated person will receive additional compensation in the form of commissions, including 12(b)-1 fees, for the sale of investment company products.

At times, MWA and/or its associated persons may take positions in the same securities as clients, and in all such cases will seek to avoid conflicts with clients.

### **Personal Trading**

In accordance with its fiduciary responsibilities to its clients, MWA and/or its associated persons will generally be "last in" and "last out" for any trading that occurs in securities that are not exempt from federal reporting - e.g., mutual funds and direct obligations of the U.S. Government.

## **Item 12 - Brokerage Practices**

In the event that a client requests that MWA recommend a custodian for the execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific custodian), MWA generally recommends that investment management accounts be maintained with an approved custodian. Prior to engaging MWA in investment management services, the client will be required to enter into a formal Investment Advisory Agreement with MWA. This sets forth the terms and conditions under which MWA shall manage the client's assets. The client may also sign a separate custodial/clearing agreement with each designated custodian.

Factors that MWA considers in recommending a custodian include historical relationship with MWA, financial strength, reputation, execution, capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by MWA clients shall comply with MWA's duty to obtain best execution, a client may pay a commission that is higher than another qualified custodian might charge to effect the same transaction where MWA determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a custodian's services, including the value of research provided, execution capability, commission rates, and responsiveness. The brokerage commissions or transaction fees charged by the designated custodian are exclusive of, and in addition to, MWA's investment management fee. MWA's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

MWA does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific custodian). In such client directed arrangements, the client will negotiate the terms and arrangements for their account with the custodian and MWA will not be able to seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other custodians. As a result, clients may pay higher commissions, other transaction costs, greater spreads, receive less favorable net prices on transactions in that account, than would otherwise be the case.

Please Note: In the event that the client directs MWA to effect securities transaction for the client's accounts through a specific custodian, the client correspondingly acknowledges that such direction may cause the account to incur higher commissions or transaction costs than the account would otherwise incur, had the client determined to effect account transactions through alternative custodial arrangements that may be available through MWA.

To the extent that MWA provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless MWA decides to purchase or sell the same securities for several clients at approximately the same time. MWA may (but is not obligated to) combine or "batch" such orders to obtain best execution. MWA shall not receive any additional compensation or other remuneration as a result of such aggregation.

## **Research and Additional Benefits**

Although not a material consideration when determining whether to recommend a client utilize the services of a particular custodian, MWA may receive from the custodian, without cost (and/or at discount) support services and/or products, which assist MWA in better monitoring and servicing of client accounts maintained at these institutions. Included within the support services that may be obtained by MWA are investment-related research, pricing information and market data software and other technologies that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events marketing support in furtherance of its investment advisory business operations.

As indicated above, certain support services and/or products that may be received may assist MWA in managing and administering client accounts. Others do not directly provide such assistance, but rather assist MWA in managing and further developing its business enterprise.

MWA clients do not pay more for investment transactions effected and/or assets maintained at the custodian as a result of these arrangements. There is no corresponding commitment made by MWA to the custodian(s) or any other entity to invest any specific amount or percentage of client assets in any specific mutual fund, securities, or other investment products as a result of the above arrangements.

MWA does not receive referrals from custodians.

## **Item 13 - Review of Accounts**

IARs of MWA review client portfolios continually by reviewing all security positions held by clients under the Firm's supervision. Client accounts are monitored on a continuous basis by their IAR's, with a formal review conducted at least annually. Triggering factors for additional reviews include, but are not limited to, changes in client portfolios and large deposits and/or withdrawals from the account.

### **Supervision & Monitoring**

Jane Mac Adams, CCO, monitors client accounts quarterly and may also conduct reviews. Triggering factors that stimulate additional review of an account include, but are not limited to, changes in economic conditions, known changes in the client's financial situation, changes to the models used to construct client portfolios and large deposits and/or withdrawals from the account.

IARs are encouraged to check advisory fees for accuracy. MWA's CCO also conducts accuracy checks on a quarterly basis. This process involves calculating the fee the client was supposed to be charged, based on quarterly account values, and comparing this number to actual advisory fees deducted from client accounts. Any inaccurate or overcharged advisory fees are refunded to the clients account.

### **Reports to Clients**

Financial Planning: clients will receive a updated financial plan on an as needed basis in connection with a review of the plan.

MWA Advisory Accounts: clients will receive monthly statements from the custodian. These statements will show total portfolio value, the securities holdings and activity in the account. Clients will also receive transaction confirmations, on all transactions in their account, on a trade-by-trade basis. Reports are also available on an ongoing basis through the custodian's compliance approved website. Clients can view transactions, distributions, and dividends paid.

Clients will also receive the following reports from the custodian:

- Notice of Transactions - the client shall receive notice of all transactions in their account as if they had maintained a similar account of the investment strategy;
- Quarterly Statement - the client shall be provided with a quarterly statement containing a description of all activity in their account;

MWA IARs offer an aggregate review at least once a year. On client request, client aggregate data can be issued on a monthly, quarterly, annually, or on an as needed basis.

The custodian provides copies of all statements to MWA.

## **Item 14 - Client Referrals and Other Compensation**

MWA does not pay or receive any compensation for client referrals.

## **Item 15 - Custody**

MWA does not custody client funds. All client accounts are held with qualified custodians. (banks or a broker dealers). Clients are urged to review their statements carefully.

## **Item 16 - Investment Discretion**

Clients may grant MWA discretionary trading authority to buy, sell, or exchange investments held by and in the name of the client's account, in shares of mutual funds, variable annuity sub-accounts, ETFs, money market funds, or cash, in accordance with this agreement. Such discretionary authority will be limited to the above products, without generating any commission to the IARs.

Neither MWA nor the client may assign the Agreement without the consent of the other party.

MWA also may enter agreements with clients to render discretionary and non-discretionary investment management services to clients relative to: (1) variable life/annuity products that they may own, and non discretionary investment management (2) their individual employer-sponsored retirement plans. In so doing, MWA either directs or recommends the allocation of



client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or retirement plan. The client's assets shall be maintained at either the specific insurance company that issued the variable life/annuity product, or at the custodian designated by the sponsor of the retirement plan.

Additions may be in cash or securities provided that MWA reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. MWA may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

MWA clients are advised to promptly notify MWA if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon MWA's management services.

## **Item 17 - Voting Client Securities**

MWA does not accept authority to vote on client securities.

## **Item 18 - Financial Information**

MWA does not solicit fees of more than \$1,200, per client, six months or more in advance.

MWA is not aware of any financial condition that is likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

MWA has not been the subject of a bankruptcy petition.